

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 602 - HB 905

March 22, 2021

SUMMARY OF BILL: Requires any public building constructed on or after January 1, 2022, or renovated on or after January 1, 2025, at an estimated renovation cost of \$10,000 or more, to contain at least one powered, height-adjustable changing table in a single occupancy restroom that is universal to gender and available to the public. Requires the location of such restroom to be conspicuously displayed at the entrance of the building, structure, or place of recreation which contains it.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

\$125,000/FY21-22/Facilities Revolving Fund

\$250,000/Each Year FY22-23 through FY23-24/

Facilities Revolving Fund

\$1,975,000/FY24-25/Facilities Revolving Fund

\$3,700,000/Each Year FY25-26 through FY32-33/

Facilities Revolving Fund

\$150,000/FY21-22/Locally-Governed Institutions

\$300,000/Each Year FY22-23 through FY23-24/

Locally-Governed Institutions

\$2,700,000/FY24-25/Locally-Governed Institutions

\$5,100,000/Each Year FY25-26 through FY32-33/

Locally-Governed Institutions

\$75,000/FY21-22/Tennessee Board of Regents

\$150,000/Each Year FY22-23 through FY23-24/

Tennessee Board of Regents

\$1,200,000/FY24-25/Tennessee Board of Regents

\$2,250,000/Each Year FY25-26 through FY32-33/

Tennessee Board of Regents

\$125,000/FY21-22/University of Tennessee

\$250,000/Each Year FY22-23 through FY23-24/

University of Tennessee

\$2,125,000/FY24-25/University of Tennessee

\$4,000,000/Each Year FY25-26 through FY32-33/

University of Tennessee

\$750,000/FY21-22/General Fund
\$1,500,000/Each Year FY22-23 through FY23-24/General Fund
\$12,900,000/FY24-25/General Fund
\$24,300,000/Each Year FY25-26 through FY32-33/General Fund

Increase Local Expenditures -

\$50,000/FY21-22*
\$100,000/Each Year FY22-23 through FY23-24*
\$775,000/FY24-25*
\$1,450,000/Each Year FY25-26 through FY32-33*

Assumptions:

- It is unknown how many public buildings in Tennessee will be constructed on or after January 1, 2022, or how many may undergo renovations of \$10,000 or more on or after January 1, 2025.
- For the purposes of this analysis, the state's public buildings are divided into six categories as follows: (1) the Facilities Revolving Fund (FRF); (2) Locally Governed Institutions (LGI); (3) the Tennessee Board of Regents (TBR); (4) the University of Tennessee system (UT); (5) Other Agencies, which includes various other government departments and entities, and (6) Local Governments.
- It is assumed that a number equal to one percent of each category's total estimated existing portfolio that would need upgrading will represent the number of new construction projects undertaken for that category each year.
- It is further assumed that a number equal to five percent of each category's total estimated existing portfolio that will need upgrading will represent the number of new renovation projects of values of at least \$10,000 each year.
- This analysis only projects expenditures over the next 10 years, FY21-22 through FY32-33, as it is assumed all buildings will be renovated within that time period.
- Based on information provided by the Department of General Services (DGS), it is estimated that a renovation to an existing space to outfit a restroom to the required standards will cost \$150,000 per restroom. To include a restroom of such standards in a new construction project will cost an estimated \$50,000 per restroom.

Assumptions relative to the Facilities Revolving Fund:

- There are an estimated 451 buildings in the FRF that will require updating.
- It is assumed that approximately 5 (451 x 1.0%) new construction projects will be initiated each year beginning January 1, 2022.
- Therefore, the total increase in annual expenditures to DGS is estimated to be \$250,000 (5 construction projects x \$50,000).
- Due to the January 1, 2022 effective date for newly constructed buildings, the increase in state expenditures is estimated to be \$125,000 (\$250,000 x 50.0%) in FY21-22 and \$250,000 in each year FY22-23 through FY32-33 to the FRF for new construction projects.

- It is assumed that approximately 23 ($451 \times 5.0\%$) buildings will be renovated each year beginning January 1, 2025.
- Therefore, the total increase in annual expenditures to DGS for renovated buildings is estimated to be \$3,450,000 (23 renovations \times \$150,000).
- Due to the January 1, 2025 effective date for renovated buildings, the increase in state expenditures is estimated to be \$1,725,000 ($\$3,450,000 \times 50.0\%$) in FY24-25 and \$3,450,000 in each year FY25-26 through FY32-33 to the FRF for renovations.
- The total estimated increase in state expenditures to the FRF are as follows:
 - \$125,000 in FY21-22;
 - \$250,000 in each year FY22-23 through FY23-24;
 - \$1,975,000 ($\$250,000 + 1,725,000$) in FY24-25;
 - \$3,700,000 ($\$250,000 + \$3,450,000$) in each year FY25-26 through FY32-33.

Assumptions Relative to Locally Governed Institutions:

- Based on information provided by the LGI's, there are an estimated 648 buildings that will require updating.
- It is assumed that approximately 6 ($648 \times 1.0\%$) new construction projects will be initiated each year beginning January 1, 2022.
- Therefore, the total increase in annual expenditures to LGI's is estimated to be \$300,000 (6 construction projects \times \$50,000).
- Due to the January 1, 2022 effective date, the increase in state expenditures is estimated to be \$150,000 ($\$300,000 \times 50.0\%$) in FY21-22 and \$300,000 in each year FY22-23 through FY32-33 to the LGI's for new construction projects.
- It is assumed that approximately 32 ($648 \times 5.0\%$) buildings will be renovated each year beginning January 1, 2025.
- Therefore, the total increase in annual expenditures to LGI's is estimated to be \$4,800,000 (32 renovations \times \$150,000).
- Due to the January 1, 2025 effective date, the increase in state expenditures is estimated to be \$2,400,000 ($\$4,800,000 \times 50.0\%$) in FY24-25 and \$4,800,000 in each year FY25-26 through FY32-33 to the LGI's for renovations.
- The total estimated increase in state expenditures to LGI's are as follows:
 - \$150,000 in FY21-22;
 - \$300,000 in each year FY22-23 through FY23-24;
 - \$2,700,000 ($\$300,000 + 2,400,000$) in FY24-25;
 - \$5,100,000 ($\$300,000 + \$4,800,000$) in each year FY25-26 through FY32-33.

Assumptions relative to the Tennessee Board of Regents:

- Based on information provided by the TBR, there are an estimated 275 buildings that will require updating.
- It is assumed that approximately 3 ($275 \times 1.0\%$) new construction projects will be initiated each year beginning January 1, 2022.
- Therefore, the total increase in annual expenditures to the TBR is estimated to \$150,000 (3 construction projects \times \$50,000).

- Due to the January 1, 2022 effective date, the increase in state expenditures is estimated to be \$75,000 ($\$150,000 \times 50.0\%$) in FY21-22 and estimated to be \$150,000 in each year FY22-23 through FY32-33 to the TBR for new construction projects.
- It is assumed that approximately 14 buildings ($275 \times 5.0\%$) will be renovated each year beginning January 1, 2025.
- Therefore, the total increase in annual expenditures to the TBR is estimated to be \$2,100,000 (14 renovations \times \$150,000).
- Due to the January 1, 2025 effective date, the increase in state expenditures is estimated to be \$1,050,000 ($\$2,100,000 \times 50.0\%$) in FY24-25 and \$2,100,000 in each year FY25-26 through FY32-33 to the TBR for renovations.
- The total estimated increase in state expenditures to the TBR are as follows:
 - \$75,000 in FY21-22;
 - \$150,000 in each year FY22-23 through FY23-24;
 - \$1,200,000 ($\$150,000 + \$1,050,000$) in FY24-25;
 - \$2,250,000 ($\$150,000 + \$2,100,000$) in each year FY25-26 through FY32-33.

Assumptions relative to the University of Tennessee:

- Based on information provided by UT, there are at least 500 buildings that will require updating.
- It is assumed that approximately 5 ($500 \times 1.0\%$) new construction projects will be initiated each year beginning January 1, 2022.
- Therefore, the total increase in annual expenditures to UT is estimated to be \$250,000 (5 construction projects \times \$50,000).
- Due to the January 1, 2022 effective date, the increase in state expenditures estimated to be \$125,000 ($\$250,000 \times 50.0\%$) in FY21-22 and \$250,000 in each year FY22-23 through FY32-33 to the UT for new construction projects.
- It is assumed that approximately 25 buildings ($500 \times 5.0\%$) will be renovated each year beginning January 1, 2025.
- Therefore, the total increase in annual expenditures to UT is estimated to be \$3,750,000 (25 renovations \times \$150,000).
- Due to the January 1, 2025 effective date, the increase in state expenditures is estimated to be \$1,875,000 ($\$3,750,000 \times 50.0\%$) in FY24-25 and 3,750,000 in each year FY25-26 through FY32-33 to UT for renovations.
- The total estimated increase in state expenditures to the UT are as follows:
 - \$125,000 in FY21-22;
 - \$250,000 in each year FY22-23 through FY23-24;
 - \$2,125,000 ($\$250,000 + \$1,875,000$) in FY24-25;
 - \$4,000,000 ($\$250,000 + \$3,750,000$) in each year FY25-26 through FY32-33.

Assumptions relative to Other Agencies:

- Various other state departments and agencies are outside the portfolio of the FRF, including but not limited to Environment and Conservation, Transportation, Military, Legislature, Education, Health, and Agriculture.

- Based on information provided by other state agencies, there are an estimated 3,040 buildings that will require updating.
- It is assumed that approximately 30 ($3,040 \times 1.0\%$) new construction projects will be initiated each year beginning January 1, 2022.
- Therefore, the total increase in annual expenditures to the General Fund is estimated to be \$1,500,000 (30 construction projects x \$50,000).
- Due to the January 1, 2022 effective date, the increase in state expenditures is estimated to be \$750,000 ($\$1,500,000 \times 50.0\%$) in FY21-22 and \$1,500,000 in each year FY22-23 through FY32-33 to the General Fund for new construction projects.
- It is assumed that approximately 152 buildings ($3,040 \times 5.0\%$) will be renovated each year beginning January 1, 2025.
- Therefore, the total increase in annual expenditures to the General Fund is estimated to be \$22,800,000 (152 renovations x \$150,000).
- Due to the January 1, 2025 effective date, the increase in state expenditures is estimated to be \$11,400,000 ($\$22,800,000 \times 50.0\%$) in FY24-25 and \$22,800,000 in each year FY25-26 through FY32-33 to the General Fund for renovations.
- The total estimated increase in state expenditures to the General Fund are as follows:
 - \$750,000 in FY21-22;
 - \$1,500,000 in each year FY22-23 through FY23-24;
 - \$12,900,000 ($\$1,500,000 + \$11,400,000$) in FY24-25;
 - \$24,300,000 ($\$1,500,000 + \$22,800,000$) in each year FY25-26 through FY32-33.

Assumptions relative to Local Governments:

- According to the most recent report on Tennessee's infrastructure needs produced by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), there are currently 173 renovation projects valued at \$10,000 or more needed on public buildings throughout the state's 95 counties. It is assumed each of those projects represents one public building, and that each is of a local jurisdiction.
- It is assumed that approximately 2 ($173 \times 1.0\%$) new construction projects will be initiated each year beginning January 1, 2022.
- Therefore, the total mandatory increase in annual expenditures to local government is estimated to be \$100,000 (2 construction projects x \$50,000).
- Due to the January 1, 2022 effective date, the mandatory increase in local expenditures is estimated to be \$50,000 ($\$100,000 \times 50.0\%$) in FY21-22 and \$100,000 in each year FY22-23 through FY32-33 to local governments for new construction projects.
- It is assumed that approximately 9 ($173 \times 5.0\%$) buildings will be renovated each year beginning January 1, 2025.
- Therefore, the total mandatory increase in annual expenditures to local government is estimated to be \$1,350,000 (9 renovations x \$150,000).
- Due to the January 1, 2025 effective date, the mandatory increase in local expenditures is estimated to be \$675,000 ($\$1,350,000 \times 50.0\%$) in FY24-25 and \$1,350,000 in each year FY25-26 through FY32-33 to local governments for renovations.
- The total estimated mandatory increase in local expenditures are as follows:
 - \$50,000 in FY21-22;

- \$100,000 in each year FY22-23 through FY23-24;
- \$775,000 (\$100,000 + \$675,000) in FY24-25;
- \$1,450,000 (\$100,000 + \$1,350,000) in each year FY25-26 through FY32-33.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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